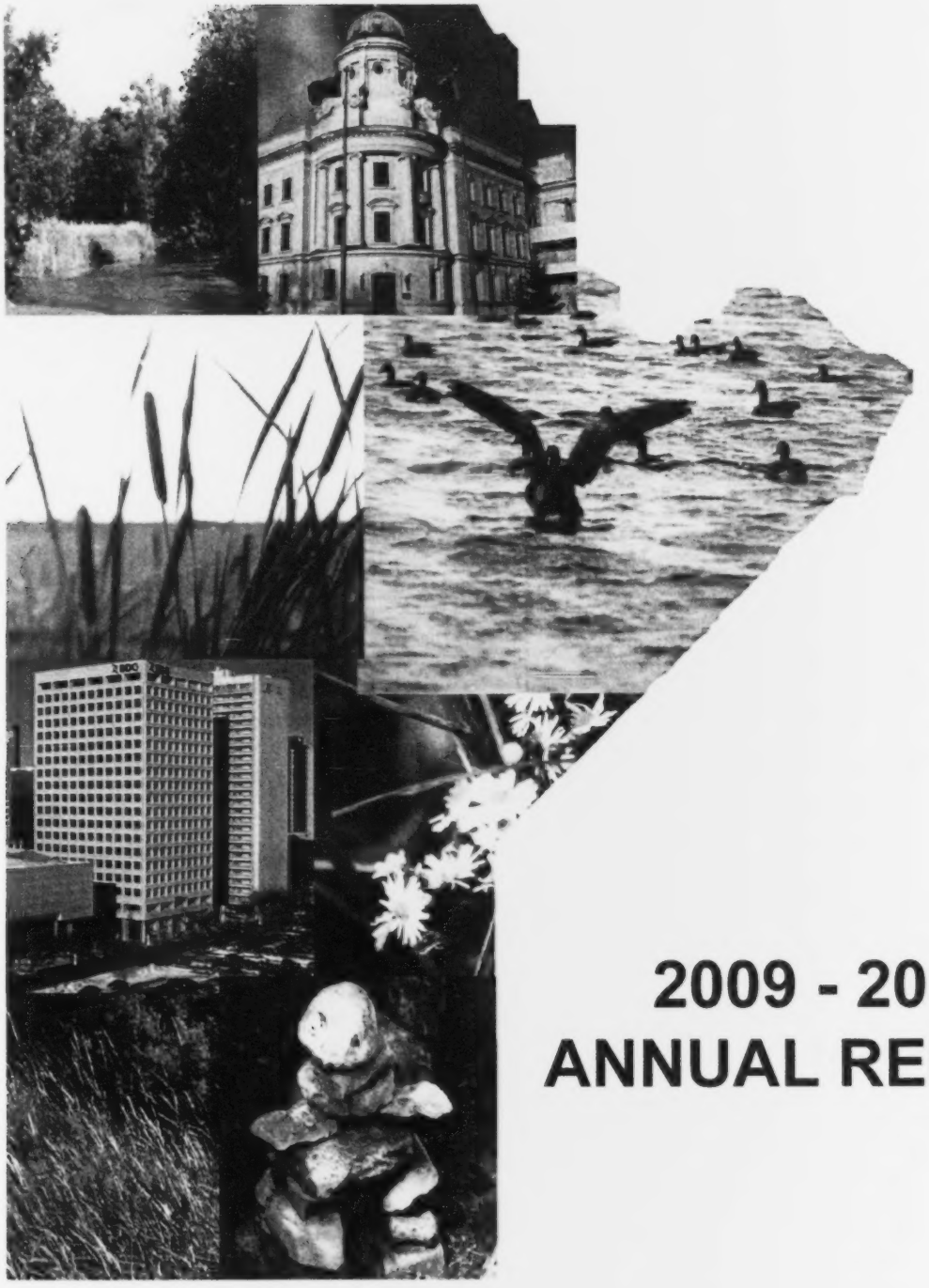
Public Trustee of Manitoba



2009 - 2010 ANNUAL REPORT

ATTORNEY GENERAL
MINISTER OF JUSTICE

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour the Honourable Philip S. Lee
Lieutenant-Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2010.

Respectfully submitted,

Honourable Andrew Swan

Manitoba

Justice
Deputy Minister of Justice and Deputy Attorney General
Room 110 Legislative Building, Winnipeg, Manitoba, Canada R3C 0V8

Honourable Andrew Swan
Minister of Justice
Attorney General
Room 104 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I submit for your consideration the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2010.

The results of the 2009/10 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of The Public Trustee and encouraged by the ongoing commitment of its employees.

Respectfully submitted,

Jeffrey A. Schnoor, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Public Trustee of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

Jeffrey Schnoor, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2010.

Yours truly,

Joanna K. Knowlton
Public Trustee

RÉSUMÉ DES RÉALISATIONS 2009/10

ADMINISTRATION DES DOSSIERS DES CLIENTS

1. Nous avons offert des exposés éducatifs à l'intention du public dans le cadre de quatre grands séminaires et de plusieurs plus petites présentations en coopération avec des organismes publics, des groupes de services, divers ministères gouvernementaux et le grand public. Un total de 1 231 personnes se sont inscrites à ces séminaires et présentations.

2. Le Curateur public a présenté 897 demandes de Régime enregistré d'épargne-invalidité (REEI) au nom de ses clients admissibles entre le 31 décembre 2008 et le 21 décembre 2009. Au 31 mars 2010, les clients du Curateur public ont déposé environ 915 000 dollars dans des REEI. Ils ont reçu environ 4 485 187 dollars en obligations, subventions et intérêt courus.

3. Au cours de l'année, le Curateur public a présenté 9 demandes de paiement d'expérience commune relatif aux pensionnats indiens au nom de ses clients. Dix-huit paiements totalisant 345 000 dollars ont été reçus pour les clients au cours de l'année.

SUCCESSIONS ET FIDUCIES

4. Nous avons effectué un examen des politiques et procédures pour l'administration des successions et des fiducies. L'objectif de cet examen était de simplifier et de mettre à jour les politiques et procédures en vue d'améliorer le service offert aux héritiers, aux créanciers de successions et aux bénéficiaires de fiducies. Ce projet se poursuivra au cours des années à venir.

5. Nous avons élaboré un programme d'automatisation du processus de calcul des droits pour les fiducies destinées aux enfants qui entraînera des économies de coûts de papier et de temps du personnel.

ADMINISTRATION FINANCIÈRE

6. Dans le cadre d'un examen à long terme des systèmes d'information, de nombreux procédés administratifs ont été documentés au moyen d'un logiciel de documentation des précédés administratifs.

ADMINISTRATION FINANCIÈRE (suite)

7. Nous avons complété plusieurs améliorations des systèmes dont :

- une catégorie client pour inscrire les biens détenus en vertu de la *Loi sur les biens abandonnés*;
- l'intégration dans le système d'information de l'inscription et du suivi des certificats de conformité de l'Agence du revenu du Canada;
- l'élaboration d'une section de renseignements destinés aux personnes responsables des cas afin de donner accès au personnel aux services offerts aux clients par d'autres fournisseurs de services.

8. Nous continuons à travailler à la création de systèmes et de procédés visant à enregistrer les fonds des clients dans le programme de REEI et à en faire le suivi. Nous élaborons en même temps des politiques et procédures pour ce programme.

SERVICES D'INSPECTION

9. L'utilisation du formulaire électronique d'instruction pour les inspections a commencé le 1er juin 2009. Son utilisation a considérablement réduit la quantité de papier utilisée et a simplifié le procédé de facturation des inspections en liant les demandes de services au système de comptabilisation quotidienne du temps.

10. Nous avons élaboré et mis en place un procédé visant à faire en sorte que le Curateur public puissent disposer de façon légale et sécuritaire des armes à feu des clients qui sont maintenant en sa possession ou qu'elles soient remises à une tierce partie qui peut soit les posséder ou en disposer de façon légale.

CONTENTIEUX

11. Des membres de la Section du contentieux ont participé à plusieurs activités éducatives destinées au public dont la semaine des testaments, la journée du droit, la journée d'orientation de la faculté de droit de l'Université du Manitoba ainsi qu'à d'autres présentation et séminaires.

12. Un des avocats du Curateur public a coordonné et mis sur pied le processus de demande de paiement d'expérience commune relatif aux pensionnats indiens. Elle a également déterminé quels clients avaient le droit de demander une indemnisation pour les mauvais traitements subis dans les pensionnats indiens. Un nombre important de demandes ont été présentées au nom de clients admissibles.

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INTRODUCTION

PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee (PT) provides services for a fee to the people of Manitoba in accordance with its statutory mandate and existing policies. The PT operates with a high level of accounting, legal and professional expertise, which is necessary for the management of approximately 5,692 clients, estates and trusts. Assets under administration are currently valued at approximately $211 million.

THE MISSION OF THE PT IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS.

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- Our service is client focused;
- Our service is cost-effective; and
- Services that must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of our operation.

STATUTORY MANDATE

The PT is statutorily mandated to provide the following services to Manitobans:

a) Acts as Committee for mentally incompetent persons under *The Mental Health Act*;
b) Acts as Substitute Decision-Maker for adults living with a mental disability under *The Vulnerable Persons Living with a Mental Disability Act*;
c) Gives or refuses consent to psychiatric treatment for mentally incompetent patients who cannot give or refuse consent themselves, and who have no other proxy or relative able to consent;
d) Acts as Official Administrator for the province;
e) Acts as Official Guardian for the province;
f) Acts as Litigation Guardian for children and mentally incompetent persons who have no one else competent to represent their interests;
g) Administers trust funds for children, and for adults with mental disabilities;
h) Reviews all infant (children's) settlements; and
i) Reviews all applications for private committeeship.

ABOUT THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The PT is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The PT has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued on behalf of its clients, or the trusts and estates which it administers. *The Public Trustee Act* requires that the Auditor General audit the books and accounts of The PT. As well, the Act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Since its inception, The PT has charged fees for its services in order to meet its salary and operating expenditures.

The current Public Trustee is Joanna K. Knowlton who was appointed by Order in Council effective July 3, 2007.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The PT commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The PT had been operating on a full cost recovery (revenue) basis. The advantages of SOA status have assisted The PT to increase its services. These advantages include:

- The flexibility to hire staff as required to provide service levels appropriate to the fees charged;
- The ability to carry forward surpluses to subsequent years; and
- The ability to plan on a long-term basis.

The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted The PT in increasing the quality of services to its clients.

The PT remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational performance. The PT is accountable to Treasury Board for its financial performance. The PT operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to The PT's assets, provides financing for operations and is responsible for The PT's liabilities. Accountability is supported by The PT's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act.*

THE PUBLIC TRUSTEE ADVISORY BOARD

The PT provides a business plan and quarterly reports to its Advisory Board. The Board was established by The Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Deputy Minister. The Board meets quarterly to provide advice to The PT on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Jeffrey A. Schnoor, Q.C. Deputy Minister of Justice and Deputy Attorney General	
MEMBERS	Joanna K. Knowlton Public Trustee	ex officio
	Richard Sohor Chief Financial Officer Public Trustee	ex officio
	Doreen Kelly General Counsel The College of Physicians & Surgeons of Manitoba	Private Sector Representative
	L. Jean Sikomas Manager, Personal Trusts Scotia Private Client Group	Private Sector Representative
	Marie O'Neill Associate Deputy Minister Primary Care and Healthy Living Department of Health and Health Living	Client Representative
	Wes Henderson A/Assistant Deputy Minister Services for Persons with Disabilities, Employment and Income Assistance Department of Family Services and Consumer Affairs	Client Representative
	Allison Hunter Client Administration Officer Public Trustee	Employee Representative

THE PUBLIC TRUSTEE - ORGANIZATION

The PT's staff are assigned in 6 distinct sections:

Administration:

This section is responsible for the administration of the entire program. It is composed of:

- The Public Trustee
- Internal Auditor
- Administrative Assistant - .5

Client Administration:

This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of:

- Deputy Public Trustee
- Senior Client Administration Officers – 2
- Client Administrative Officers – 12
- Administrative Assistants – 12.5
- Deceased Estates Clerk

The Brandon office is composed of:

- Client Administration Officer
- Administrative Assistant
- Clerk - .28

Estates and Trusts Administration:

This section administers deceased estates, and adult and children's trusts. This section is composed of:

- Manager, Estates and Trusts
- Estates Officers – 4.6
- Administrative Assistants - 2
- Trust Administration Clerk

Financial Administration:

This section manages the financial administration services for all clients, estates and trusts, the Common Fund, and the revenues and operating budget of the office.

This section is composed of:

- Chief Financial Officer
- Senior Accountant
- Accountant
- Investment Officer
- Senior Systems Analyst
- Senior Application Developer
- Accounting Staff – 14.5

Inspection Services:

This section provides all field services for clients, estates and trusts. The section is composed of:

- Manager, Inspection Services
- Inspectors – 3
- Chattel Clerk

Legal:

This section has several mandates including:

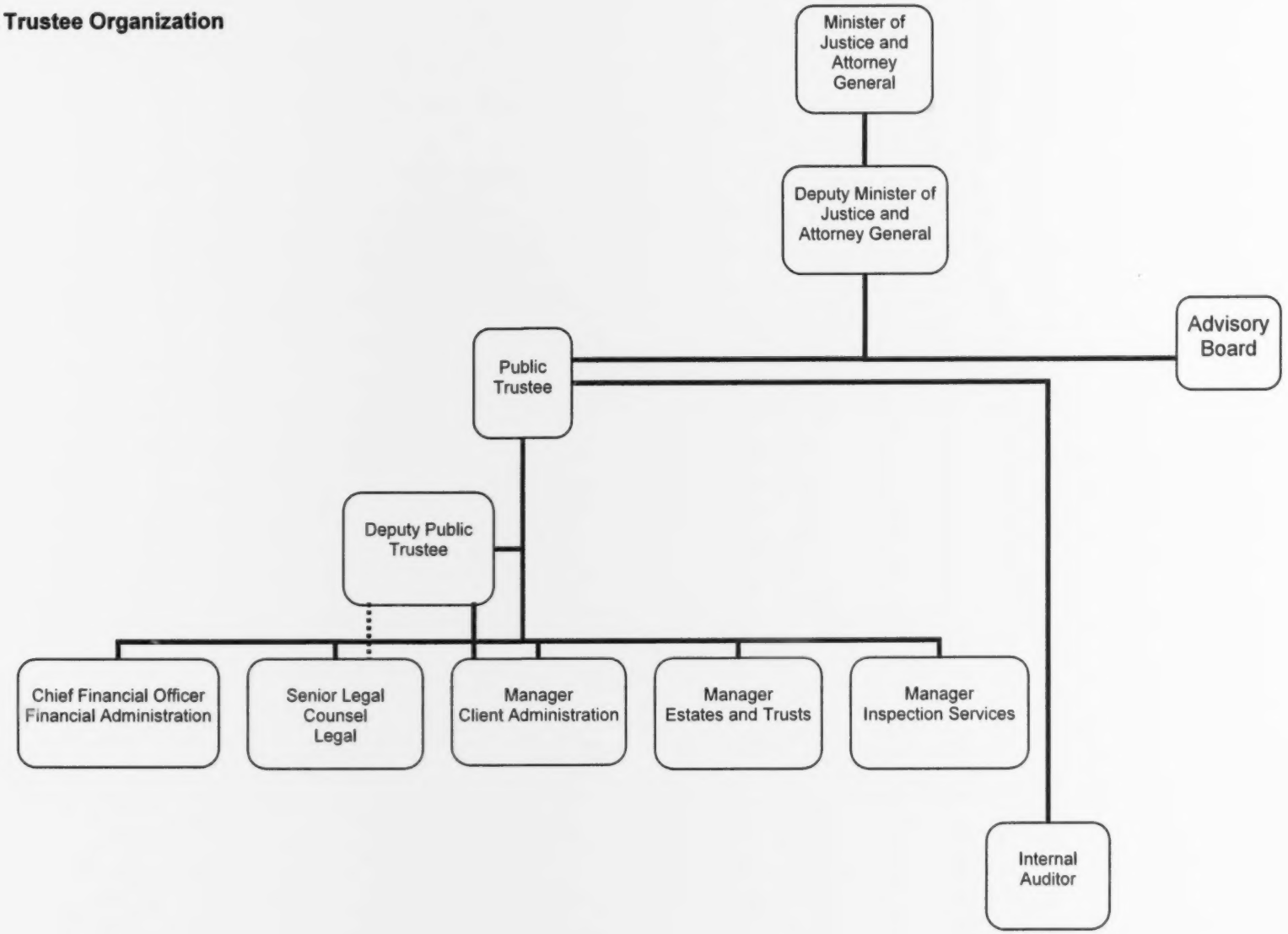
1. Providing the necessary legal representation for clients, estates, and trusts;
2. Ensuring the protection of rights and assets;
3. Fulfilling statutory duties as required and providing advice to the court as required; and
4. Providing advice to The PT.

This section is composed of:

- Senior Counsel
- Legal Counsel – 2
- Administrative Assistants - 2

Each section Manager is part of the management team and all report to The PT. As well, the Internal Auditor reports to The PT. The PT periodically employs seasonal STEP students.

The Public Trustee Organization



WHAT DOES THE PUBLIC TRUSTEE DO?

CLIENT ADMINISTRATION SECTION

The Client Administration Section has several functions. They are described below.

1. Committee of people who have been found incapable of managing their own property or personal decisions pursuant to *The Mental Health Act.*

There are three ways The PT may be appointed as committee:

a) By an *Order of Committeeship* issued by the Director of Psychiatric Services

This is an administrative process that does not require a court order. The process begins when a person who is usually a medical professional or social worker, identifies a need for The PT's involvement as committee for a mentally incompetent person. The person is examined by a physician. If the physician agrees that the person is mentally incompetent and requires the services of The PT, a Certificate of Incapacity is completed, and sent with background information about the person to the Director of Psychiatric Services for Manitoba.

The Director of Psychiatric Services gives notice to the person and involved family that he is considering issuing an Order of Committeeship. They then have an opportunity to object in writing. The Director may also request further information, or meet with interested persons. He will consider any objections together with all information received, and make a decision whether or not to issue an Order of Committeeship.

If the Order of Committeeship is issued, The PT is appointed to manage the person's personal and financial affairs until the person is declared mentally competent, or The Court of Queen's Bench makes an order removing The PT.

The appointment of The PT as committee pursuant to an Order of Committeeship is always an appointment of last resort, where there is no one else willing, able or suitable to act, and there is a demonstrated need for the appointment.

b) By a *Certificate of Incompetence to Manage Property* issued for a patient in a psychiatric facility

Upon admission to a psychiatric facility, a patient is examined by a physician to determine whether the patient is able to manage his or her financial affairs. If not, the physician completes a certificate appointing The PT to manage the financial affairs while the patient remains in hospital. Upon the person's discharge from hospital, The PT's jurisdiction as committee ends.

c) By an order of The Court of Queen's Bench

The Court of Queen's Bench may grant an order appointing The PT as committee of property and personal care. This may happen when the court is not satisfied that a private applicant for committeeship is a suitable person to be appointed, or where an existing committee is no longer willing, able or suitable to act, and there is no one else the court can appoint. The PT's appointment continues unless or until the court makes an order removing The PT as committee.

2. Provides consent (or refusal) to psychiatric or medical treatment for patients in psychiatric facilities who have been declared by their doctor to be incapable of consent on their own and have no family who can consent for them.

Upon admission to a psychiatric facility, patients are examined by a physician to determine whether or not they are capable of consenting or refusing to consent to medical or psychiatric treatment. If not, a Certificate of Incompetence to Make Treatment Decisions is completed. If there is no proxy appointed in a Health Care Directive, no court appointed committee or family members willing, suitable or able to give substituted consent to treatment, The PT will be asked to make treatment decisions for the patient.

The PT's authority to make treatment decisions will last only until the person becomes capable of making the decisions or is discharged from the psychiatric facility, whichever happens first.

3. Acts as Substitute Decision Maker (SDM) for people who have been found incapable of managing their own property or personal decisions under *The Vulnerable Persons Living with a Mental Disability Act.*

The PT may be appointed by the Vulnerable Persons Commissioner (VPC) as SDM for adults living with a mental disability. The process begins when a person applies to the VPC for the appointment of an SDM for property and/or personal care of a person who falls within the jurisdiction of *The Vulnerable Persons Living with a Mental Disability Act.* The person, family and other interested persons receive notice of the application, and have the right to appear before a hearing panel.

The hearing panel's duty is to decide if a SDM is necessary, and if so, what authority it should have. After hearing all the information from interested parties, the hearing panel makes a recommendation to the VPC. If the VPC is satisfied that a SDM is required, and there is no one else willing, able or suitable to act, it may appoint The PT. The appointment will clearly state what authority The PT has, and how long the authority lasts, to a maximum of five years. The VPC will only appoint The PT as SDM as a last resort, and will only grant authority to make decisions in areas where there is a demonstrated need.

4. Acts as attorney pursuant to an enduring power of attorney given to The PT by a mentally competent adult.

The PT has discretion to accept powers of attorney from mentally competent Manitobans who have estates of $250,000 or less, and who require assistance administering their financial affairs. The PT's authority continues until the donor revokes the power of attorney, The PT is appointed as committee, or the donor dies.

5. Delegation of Authority

The PT acts as committee, SDM or attorney for approximately 3,320 adult clients. It is not possible for its staff to meet with or provide direct service to each of these clients. As a result, The PT delegates certain authority to:

a) Manitoba Family Services and Consumer Affairs: Specifically the delegation is to the Executive Director of Disability Programs, the Executive Director of Winnipeg Services or the Executive Director of Rural and Northern Services. This does not include clients in Manitoba Developmental Centre (see (b) below) or St. Amant. The PT provides services directly to clients at St. Amant with the assistance of social workers and other St. Amant staff;

b) Manitoba Developmental Centre (MDC): Delegated authority to MDC is limited to minor medical procedures and authority to apply to a Justice for an order for apprehension of a resident who has absconded from the centre.

c) the Regional Health Authority in which the clients in question reside: However, if a client resides in a personal care home in Brandon or Winnipeg, there is no delegation of authority. Authority is also not delegated for clients in psychiatric facilities, including Selkirk Mental Health Centre. In those cases, The PT provides services directly to the client with the assistance of the personal care home or psychiatric facility social worker or other appropriate staff member.

Delegated Decisions	Decisions not Delegated
1. Identify and facility appropriate residence;	1. Administration of financial affairs, including the filing of income tax returns, applying for pensions and other financial benefits, and estate planning.
2. Identify and facilitate appropriate day services;	2. Administration of legal affairs;
3. Facilitate the provision of regular medical and dental care;	3. Consent to psychiatric or medical treatment;
4. Facilitate the planning of leisure time for the person;	4. Consent to release contents of confidential files or clinical records, and
5. Coordinate the provision of individual support services;	5. Decisions affecting the person's human rights.
6. Communicate with the person's family members;	
7. Monitor and/or oversee the management of personal allowances in accordance with the Department of Family Services and Consumer Affairs' policy on Management of Personal Funds of Clients in the Community; and	
8. Apply for and enforce an Order of Apprehension pursuant to s.62 of *The Vulnerable Persons Living with a Mental Disability Act.*	

ESTATES AND TRUSTS SECTION

The Estates and Trusts section has two major functions.

1. Administers estates of persons who die in Manitoba where there is no one willing, able or suitable to administer their estates.

The PT is an administrator of last resort, and does not actively seek to administer estates. However, The PT may administer an estate in the following circumstances:

a) Upon a court order to do so where:
   - The deceased has no family in Manitoba willing, able or suitable to act as administrator;
   - There is a dispute among various parties as to who should act as administrator; or
   - The executors named in the will are unwilling, unable or unsuitable to act.

b) Upon the death of a client for whom The PT acted as committee or SDM. The PT has limited authority to continue acting until a personal representative is appointed by the court to administer the estate; or

c) When The PT is named as executor in a will.

The PT's duty as executor or administrator is to properly gather in the estate assets, pay debts and distribute the estate to those entitled in accordance with the will or the laws of Manitoba.

2. Administers Trusts for Children

As the Official Guardian for children in Manitoba, The PT administers trusts when required by court order or legislation. Although there are many reasons why The PT may be appointed to manage a trust for a child, some common reasons are as follows:

- A court ordered payment, settlement or insurance payment for a child. This may result from personal injury, death of a parent or family member, or if a child is the victim of a crime;
- A child is named as beneficiary of a registered investment, pension or life insurance policy or receives some other benefit or windfall, and there is no person authorized to manage the funds during the child's minority; or
- A child is a beneficiary or heir of an estate and there is no trustee to administer the assets during the child's minority.

The PT's duty as trustee of children's trusts is to protect the trust assets and to ensure they are properly invested and disbursed in accordance with the trust instrument or applicable legislation.

DEPARTMENTAL ACCOMPLISHMENTS

CLIENT ADMINISTRATION ACCOMPLISHMENTS - 2009/10

1. Speaking Engagements

In addition to the quarterly education seminars, smaller presentations are made at the request of agencies, service groups, various government departments and the general public. The presentations made during the year were:

Topic	Group	No. of Registrants
Powers of Attorney	Simkin Centre PCH	25
Committeeship & Vulnerable Persons	Assiniboine College	18
The Role of The Public Trustee	Centre on Aging – Spring Research Symposium	25
Protection Orders	Social Workers & Protection Order Designates	15
Vulnerable Persons – Quarterly Seminar	Union Centre	213
Financial Abuse – Quarterly Seminar	Mennonite Museum	80
Financial Abuse	CSWs - Brandon	35
Practicing in Government Agencies	Law Students – Career Conference – U of M	15
The Role of The Public Trustee	Grace Hospital – Mental Health Fair	18
Financial Abuse	Manitoba Securities Commission	160
The Role of The Public Trustee	Southern Chiefs Organization	10
Powers of Attorney and Committeeship – Quarterly Seminar	Brandon	35
Continuity Care – VPA	Winnipeg	40
Advance Care Plans	Selkirk Mental Health Centre	15
Legal Profession	John Taylor Collegiate Students	50
Financial Abuse & Powers of Attorney – Quarterly Seminar	Winnipeg	192
Powers of Attorney	Shaftesbury Park School	35
Law Day – Booth	Law Courts – Winnipeg	unknown
Role of The Public Trustee	University of Manitoba – Law Students	50
CDP "Til Death Do Us Part and Beyond"	Law Society of Manitoba	200
TOTAL		1,231

2. Registered Disability Savings Plan (RDSP)

The PT completed and filed 897 applications for its eligible clients between December 31, 2008 and December 31, 2009. As of March 31, 2010 PT clients have deposited approximately $915,000 of their capital in RDSPs and have received an approximate amount of $4,485,187.00 in bonds, grants and accrued interest.

3. Indian Residential School Claims (Common Experience Payments)

The Indian Residential Schools Settlement Agreement provided for Common Experience Payments (CEPs) to former Indian Residential School students to recognize the experiences these students endured. Eligible applicants were entitled to $10,000 for the first school year (or partial school year) of residence at one or more residential schools, plus an additional $3,000 for each subsequent school year or partial school year.

From April 1, 2009 to March 31, 2010 The PT submitted 9 CEP applications. Eighteen CEP's were received during the year, totalling $345,000.

4. Client Administration Section – Activity for Year Ending March 31, 2010

	March 31, 2009	Files Opened in Year	Files Closed in Year	March 31, 2010 End of Year
Assets under Administration * ($000's)	**$ 120,082**			**$ 125,982**
Number of Clients	**3,274**	**390**	**380**	**3,319**

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

ESTATES AND TRUSTS ACCOMPLISHMENTS – 2009/10

1. Policy and Procedure Review

The PT, Manager of Estates and Trusts and Senior Legal Counsel conducted a review of the policies and procedures for the administration of estates and trusts. The purpose of the review was to streamline and update policies and procedures with a view to improving service to heirs and creditors of estates and beneficiaries of trusts. Amendments include changes to the nature of documentary evidence accepted as proof of Heirship for estates, bringing this in line with other provinces and territories. In addition, The PT now requests proof of birth upon the opening of a children's trust account rather than at maturity, to ensure payout is made in accordance with The PT's performance measures. The review of policies and procedures is an ongoing project that will continue in future years.

2. Automation of Fee Calculation for Children's Trusts

At the direction of The PT and Manager, Estates and Trusts and with cooperation from the Trust Administrator, the Senior Systems Analyst developed a program to automate the fee calculation process for Children's Trusts. This will eliminate manual processing of the final fees at trust maturity, freeing time for the Trust Administrator to process request for funds on a timely basis. The PT will realize savings for paper costs and staff time as a result of this change.

3. Estates and Trusts Section – Activity for the year ending March 31, 2010

	March 31, 2009	Files Opened in Year	Files Closed in Year	March 31, 2010 End of Year
Assets under Administration * ($000's)	$ 81,761			$ 83,410
Deceased Estates caseload	384	85	91	378
Children's Trusts caseload	1,309	226	249	1,287
Adult Trusts caseload	171	126	45	252

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

FINANCIAL ADMINISTRATION ACCOMPLISHMENTS – 2009/10

1. Business Process Documentation

As part of a long-term information systems review, several business processes were documented. Business process documentation software was purchased to complete this task.

2. System Enhancements

System enhancements were completed in the following areas:

- A client category was added to The PT's information system to record assets held under *The Vacant Property Act;*
- The recording and tracking of Canada Revenue Agency Compliance Certificates was integrated into the information system to improve service in the Estates and Trusts section;
- A case worker information section was developed for Client Administration. This feature provides Client Administration Officers with access to current information on the services being provided to clients by other agency service providers.

3. Implementation of a System to Record/Track Registered Disability Savings Plans (RDSPs)

The creation of systems and processes to record and track client funds in the RDSP program is an ongoing project. Concurrent with this project is the development of policies and procedures related to the RDSP program.

4. Financial Administration (Trust) Section – Activity for the year ending March 31, 2010

Magnitude ($000's)	2008/09	2009/10
Total Assets under Administration *	$ 202,969	$ 210,303
Receipts for year	$ 111,704	$ 98,398
Disbursements for year	$ 108,500	$ 99,226
Total Accounts/Files	5,615	5,692
Total Financial Transactions	324,915	330,590

*Note:
Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

INSPECTION SERVICES ACCOMPLISHMENTS – 2009/10

1. Electronic Inspection Instruction Form

The use of the Electronic Inspection Instruction Form was implemented on June 1, 2009. Training was provided to PT staff on how to request tasks and services from the Inspection Services Section. Its use has substantially reduced the amount of paper used. Further benefits of the new Electronic Inspection Instruction Form include linking it electronically to the Inspectors' daily timekeeping system which resulted in streamlining the billing process.

2. Disposition of Firearms Procedure

A procedure was developed and implemented to ensure that firearms in the possession of PT clients are appropriately, securely, safely and legally disposed of or transferred to another individual, business or public agency who can legally possess the firearms or dispose of them.

LEGAL ACCOMPLISHMENTS - 2009/10

1. Public Education

One of The PT's lawyers sat on the committee for Will Week. Will Week conducts a series of public seminars on Wills, Powers of Attorney, and Health Care Directives. The lawyer was involved in the preparation of materials for the public lectures which took place in both Winnipeg.

Lawyers presented numerous education seminars to the public on topics including financial abuse and the issues relating to family law and estates. In addition, lawyers have presented to professional groups on topics including the role of The PT in obtaining Protection Orders on behalf of incapable persons. A lawyer participated in Career Day at the University of Manitoba - Faculty of Law and presented for the Faculty of Law Wills course.

A lawyer has been extensively involved in the review and updating of estate section practices and procedures. These amendments have been implemented and are expected to streamline the process of estate administration.

2. Indian Residential Schools Settlement

A lawyer coordinated and implemented the Indian Residential Schools Common Experience Payment claim process. In addition, the lawyer has been instrumental in identifying clients who are entitled to claim compensation for abuse suffered while attending an Indian Residential School. A substantial number of claims have been made and payments obtained on behalf of eligible clients.

3. Legal Section – Activity for the year ending March 31, 2010

	March 31, 2009	Files Opened in Year	Files Closed in Year	March 31, 2010 End of Year
Number of Files at beginning of year	**477**	**420**	**442**	**455**

BUSINESS PLAN GOALS

Each year in the Business Plan, The PT identifies long and short-term business goals. The long-term goals are global and ongoing and do not require specific reporting. The short-term goals are specific and change every year. A report on those goals follows below.

LONG-TERM BUSINESS GOALS

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - Administering property, and where required, making personal decisions on behalf of people who are not mentally capable of doing so;
    - Administering property for people who have granted a Power of Attorney to The PT;
    - Administering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - Administering trust monies on behalf of children and administering testamentary and inter vivos trusts;
    - Supporting all of these functions with legal, financial and accounting expertise;
    - Fulfilling additional roles pursuant to legislation or as ordered by the court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office.

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in our service and support areas.

4. To improve communication with all individuals and agencies with whom we have contact, and with the general public.

5. To approach recovery of the allocated costs of operations.

SHORT-TERM BUSINESS GOALS

1. **To continue regular education seminars throughout the province regarding services offered by The PT's Client Administration Section and related topics of interest to stakeholders and the community at large.**

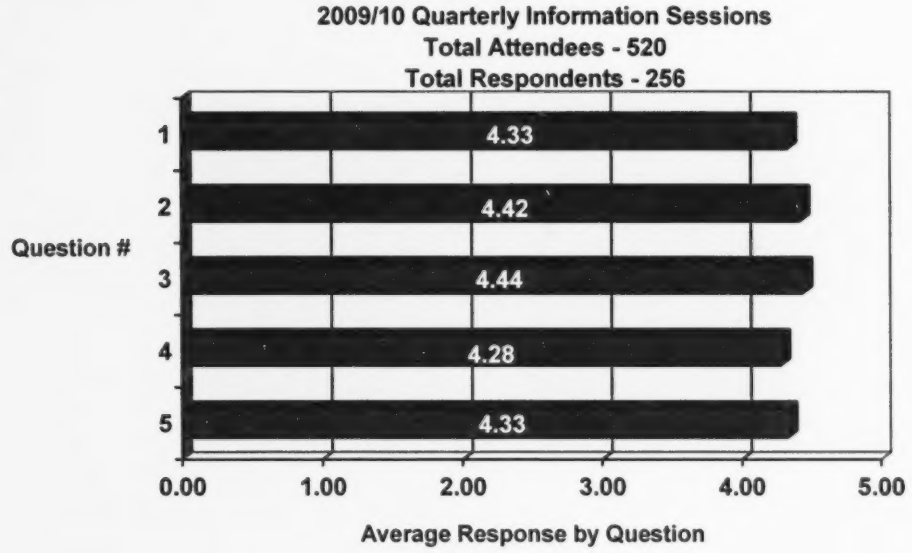
Particulars of these seminars are contained in the chart below.

Participants in the seminars were asked to evaluate the content and format of the presentation. The data from the questionnaires was analyzed to provide an objective assessment of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of the seminars.

The participants were asked to rate various aspects of the seminars, including the quality of the presentations, materials and locations. The participants were asked to use ratings from 1 to 5, with 1 showing the lowest level of satisfaction, and 5 showing the highest level. A summary of the average rating for each seminar is included in Column 4 in the chart below.

Date	Location	Number of Respondents	Average Seminar Rating out of 5
June 9, 2009	Winnipeg	87 of 213 registrants	4.03 – VPA Workshop
Sept. 24, 2009	Steinbach	52 of 80 registrants	4.38 – Financial Abuse
Nov. 26, 2009	Brandon	27 of 35 registrants	4.66 – Committeeship and POA
Feb. 24, 2010	Winnipeg	90 of 192 registrants	4.36 – Financial Abuse
Total		**256 of 520 registrants 49%**	**4.36**

The overall ratings for all seminars, and the questions asked in the evaluation form are set out below.



Questions:

1. I received the information I needed on the topic of the seminar;
2. The information was provided clearly and in an understandable manner;
3. There was sufficient opportunity for me to ask questions;
4. My questions were answered clearly and to my satisfaction; and
5. The format of the informational session met my needs.

2. To continue to enhance the education and training provided to Agency staff, both during orientation and on an ongoing basis, including implementing a system of training modules for new Client Administration Officers.

The Client Administration Section uses a series of training modules to provide standardized training to new Client Administration staff. These consist of 32 modules in PowerPoint format. The modules contain sufficient detail to guide and support staff on topics relevant to their duties.

Features of the modules include:

- one-on-one trainer instruction;
- a "training completion checklist" which lists each PowerPoint training module and cross-references the individual training module to an appropriate written reference;
- searchable procedure manual; and
- checklists and forms for all pertinent tasks to be performed by Client Administration Officers.

In addition to the training modules, standardized orientation sessions about each section of the office are delivered for new and other interested staff twice per year. Staff are also encouraged to participate in activities of other sections, such as Searches and Inventories, and an orientation to the Financial Administration Section.

Staff are also encouraged to participate in both internal and external training opportunities. Some examples of internal training opportunities offered throughout the year are:

- Annual Business Plan Seminar;
- Internal orientation sessions about each section;
- Presentations about The PT's blanket insurance policy; and
- Alzheimer Society of Manitoba: Virtual Dementia Tour.

Examples of external training opportunities offered during the year include:

- End of Life Decision Making – St. Boniface General Hospital;
- Fraud Seminar – City of Winnipeg Police Commercial Crime Unit;
- Representing Clients with Disabilities – Canadian Bar Association; and
- CPR and First Aid Training.

The average number of hours of training per employee excluding training new staff was 5.8, at an average cost of $34.75 per employee.

3. To enhance the efficiency of Inspection Services and protection of clients' belongings by testing and implementing an electronic chattel instruction form to direct and document Inspection Services' tasks and services.

The use of an electronic inspection instruction form (EIIF) was tested and implemented in June 1, 2009. This has resulted in significant improvement in the Agency's ability to assign work, track progress and track client property.

4. To develop and test an enhanced timekeeping system for the monitoring and recording of Inspection Services' time.

An electronic timekeeping system for monitoring and recording Inspection Services' time was tested and implemented on June 1, 2009. It is linked to the EIIF, and has resulted in a significant improvement in the ability to track and bill Inspection Services' fees.

5. To update policies and procedures relating to deceased estate administration with a view to administering estates more efficiently and in a shorter period of time.

Each existing policy and procedure from the Estates and Trusts section of the manual was reviewed by The Public Trustee and Manager, Estates and Trusts. Where applicable, amendments were made or new policies and procedures established to identify responsibility and reflect current processes in accordance with legislative and technological change. In conjunction with this, all current template forms and letters used by the department have been reviewed and updated as well.

In the upcoming fiscal year, Estates and Trusts staff will be provided training on the amendments to policies and procedures, and will have an opportunity to test revised template forms and letters.

6. To investigate the development of an enhanced disbursement recovery system for the Legal Department.

Several types of disbursements which are commonly recovered by private law firms have not been recovered by The PT. These include charges for registered mail, postage, faxes and land titles search fees. During the year, we began recovering the cost of registered mail sent on behalf of clients. We continue to develop systems to recover other disbursements such as land titles search fees and postage.

INTERNAL AUDITOR AUDIT REPORT HIGHLIGHTS

The Internal Auditor position was vacant from July 10, 2009 to September 14, 2009. As a result the internal audit activities did not take place during the period of vacancy.

Compliance Audits

The Internal Auditor conducted compliance audits of 165 files. In addition, The Public Trustee conducted 83 compliance audits. These audits have the following functions:

1. To assess whether all procedures are followed and internal controls are adequate; and
2. To identify and mitigate financial and reporting risks.

All findings were reported to the Deputy Public Trustee.

Operational Audits

Audits of Transactions

The Internal Auditor conducted audits of transactions of clients:

1. with low cash balances;
2. receiving Employment and Income Assistance (EIA), but carrying balances in excess of $4,000; and
3. with EIA disability trusts, secondary accounts and adult discretionary trusts as at December 31, 2009.

These areas were previously identified as areas of financial risk. Therefore the Internal Auditor conducts extensive audits. Findings are reported to the Deputy Public Trustee.

Audit of Cheque Disbursements

Starting in September 2009, a monthly sample of cheque disbursements was tested to verify agreement with cheque disbursement procedures. This sample totalled 223 cheques. The cheque requisitions were reviewed to ensure:

1. proper authorization;
2. accuracy of payment with supporting documentation;
3. the payment was reasonable in nature, and
4. the payment was timely.

The findings verified that the disbursements were made in compliance with the procedures in place.

Audits of Real Estate Values

On December 31, 2009 and March 31, 2010 the Internal Auditor reviewed real estate values to ensure property is recorded at its appraised or assessed value. This audit ensured that client real estate was properly recorded, insured, and procedures were being followed. The findings were reported to the Deputy Public Trustee.

Encroachment Audit

The Internal Auditor conducted a review of client accounts with cash balances that had declined more than $2,000 within a one year period. The purpose of this audit was to:

1. determine Client Administration Officers were aware of a decline in assets;
2. determine that encroachment applications had been completed; and
3. if necessary, ensure that plans of action were in place to manage client spending.

The audit revealed that proper procedures were being followed to protect clients' assets.

Indian and Northern Affairs (INAC) Client Audit

The Internal Auditor conducted an INAC Audit as of December 31, 2009. The purpose of the audit was to ensure all eligible clients were included in the agreement between The Public Trustee and INAC and that client information was properly recorded. It also identified those clients who may be eligible to be included in the agreement so that Client Administration Officers could make appropriate inquiries with INAC.

Registered Disability Savings Plan (RDSP) Audit

The Government of Canada began offering RDSP to eligible disabled Canadians in December 2008. This program assists persons with disabilities to save for long-term financial security. The purpose of the audit was to:

1. determine which clients met the eligibility requirements;
2. determine which clients were eligible for benefits and/or or to make a contribution; and
3. ensure that all eligible clients were enrolled, appropriate contributions made and benefits received.

Creation of Infrastructure to Facilitate Performance Measurement

Over the past several years, The Public Trustee has been creating infrastructure to facilitate the collection of data required for performance measurement. It is the goal of the Internal Auditor to continue looking for ways to present management with relevant and timely data required for performance measurement, and subsequent decision making and strategic mapping.

PUBLICATIONS

The PT has a number of publications available to individuals who come in contact with the office. They are:

1. **The Committeeship Guidebook (Bilingual)**

   This booklet provides general guidance to private committees on their duties and responsibilities. It also provides examples of the required accounting as well as opening and closing inventories.

2. **The PT Fee Brochure (Bilingual)**

   This brochure details the fees charged for the services provided by The PT.

3. **The Powers of Attorney Pamphlet (Bilingual)**

   This pamphlet outlines The PT's services regarding powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

4. **Enduring Powers of Attorney Guidebook (Bilingual)**

   This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting.

5. **Deceased Estates (Bilingual)**

   This is a detailed pamphlet in a question-and-answer format which outlines standard information regarding The PT's services in administering deceased estates.

6. **Children's Trusts (Bilingual)**

   This is a detailed pamphlet in a question and answer format which outlines standard information regarding The PT's services in administering children's trusts.

7. **Legal Guide for Seniors (Bilingual)**

   The PT co-operated with the Manitoba Seniors and Healthy Aging Secretariat in the reprinting of a booklet providing estate planning information for seniors. This booklet is valuable for all age groups in the adult population.

8. Children's Trusts Education Program (Bilingual)

The content of this program includes a video entitled "Trust" used as an educational tool for young adults who are beneficial recipients of trust payouts. In addition, we have six pamphlets and one quiz on the subjects:

1. Banking 101;
2. Budgeting;
3. Costs of Living;
4. Credit & Credit Cards;
5. Goal Setting;
6. Investment Options; and
7. Quiz: How are you with Money?

9. A Client Guide to The Public Trustee's Client Administration Section (Bilingual)

This comprehensive guidebook was developed for clients of The Public Trustee, their families and care providers. It became available for distribution during 2009/10.

PERFORMANCE FRAMEWORK

CLIENT ADMINISTRATION

1. **Objective:**

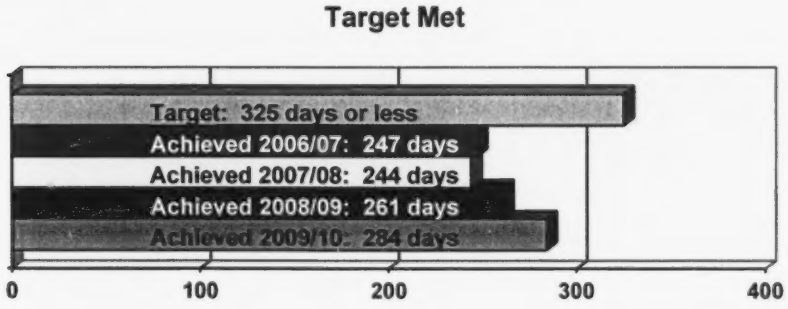
Estates of former clients will be paid out to the Executor or Administrator in a timely manner.

When a client dies, The PT retains authority over the estate of the client until the estate is paid out to an Executor or Administrator. During this period of time, the estate is managed by a Deceased Estates Clerk.

This performance measure may be affected by third party actions which The PT cannot control. However, we believe that a general performance target can be set for this activity which is reflective of active due diligence by The PT. We do not expect performance to vary greatly in ensuing years.

Performance Target:

To close deceased client files at a rate each year which reflects an average of 325 days or less.



2. Objective:

To ensure that information regarding The PT's programs and services is disseminated appropriately through the community.

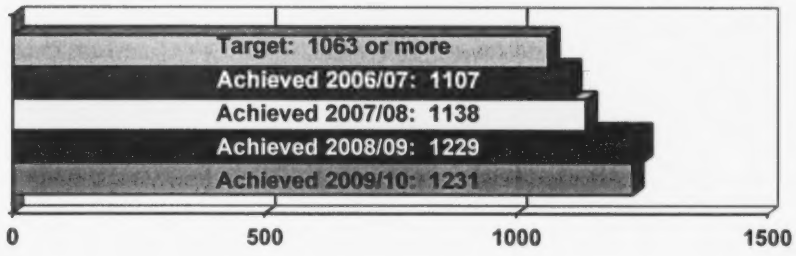
The PT's programs and services are critical to a certain segment of society's functioning. Its programs and services are not widely understood by the general public and we realize that even stakeholders and service providers in the field need regular education about The PT's programming and such topics as financial abuse, services for vulnerable adults, etc.

Performance Target:

To maintain the number of persons who are educated with respect to The PT at 10% over those educated in 2004/2005 (967 persons). Therefore the target for each year is 1,063 or more.

In 2009/10, The Public Trustee exceeded the base education target by 168 in providing education to 1,231 people.

Target Met



3. **Objective:**

To ensure that we maintain contact with our clients and service providers in the community, personal care homes, developmental centres, and mental health centres.

Targets have been established for the minimum number of visits each Client Administration Officer is to make to clients in the community, in personal care homes, developmental centres and mental health centres.

The target number is calculated based on the number of clients in a year and the number of different facilities and types of residences. The target will change each year. In determining the performance target, we took into account only the minimum number of visits made by each Client Administration Officer rather than the total number of visits made. This ensures that performance for each Client Administration Officer is measured rather than the total of all.

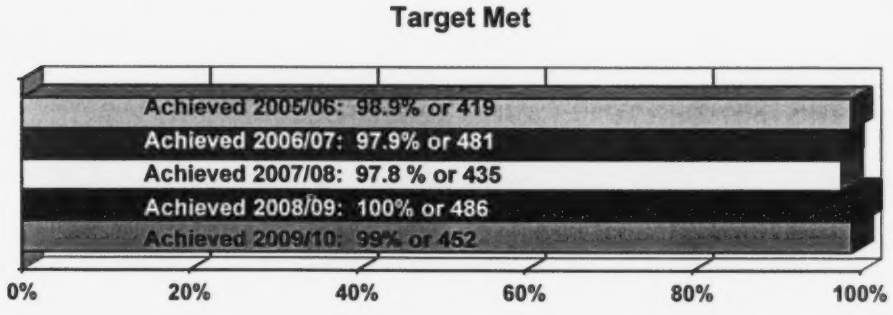
Failure to complete 100% of the target number of visits is a result of periodic vacancies in Client Administration Officer positions.

We possess the following information in this area:

Year	Target Number of Visits Required	Number Made	Percentage
2005/06	424	419	98.9
2006/07	491	481	97.9
2007/08	445	435	97.8
2008/09	486	486	100%
2009/10	456	452	99%

Performance Target:

Client Administration Officers will complete at least 97% of the target number of visits to clients in each year.



4. Objective:

To collect baseline information on the average amount of time taken from the date of receipt of documentation authorizing The PT to act in some capacity to the date a Client Administration Officer receives the assigned file, and to set a performance target based on this information.

This information is important to ensure that files for adult clients are assigned in a timely manner after authorizing documentation is received. This ensures that clients receive the management and protective services that The PT provides as soon as possible after the need is identified.

We have collected baseline information for 2008/09 and 2009/10.

Year	Average No. of Days from Receipt of Documentation to Receipt by CAO
2008/09	2.36
2009/10	2.23

Based on the above information, we have established the following performance target for coming years:

Objective:

Adult clients will begin receiving management and protective services from The PT in a timely manner after receipt by The PT of authority to act.

Performance Target:

Client Administration files will be assigned to a Client Administration Officer within an average of 3 days from receipt of authorizing documentation.

5. Objective:

To collect baseline information on the number of hours of training provided to employees during the year.

This is important to ensure employees are kept up-to-date with current information and trends related to their work.

Ongoing training also leads to enhanced service delivery, and assists with risk management.

We have collected baseline information during 2008/09 and 2009/10 on the number of hours of training each employee receives with a view to setting a performance target for training.

CLIENT ADMINISTRATION continued

Year	No. of Client Admin. Employees	No. of Hours of Training in Total	Average No. of Hours of training per employee
2008/09	30	260.49	8.68
2009/10	30	300.74	10.02

Based on the information above, we have established the following performance target for coming years:

Objective:

Client Administration employees will receive ongoing training and education on relevant topics to ensure they are able to provide a high quality of service to clients.

Performance Target:

Client Administration employees will receive an average of at least 8 hours per employee of employment related training and education per year.

ESTATES AND TRUSTS ADMINISTRATION

1. Objective:

Children's trusts will be paid out in a timely fashion upon children achieving the age of majority.

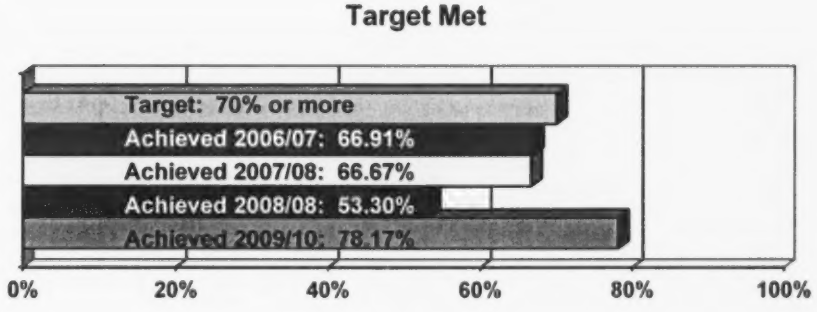
The PT seeks to pay out children's trusts as soon as possible after a child achieves the age of majority. These children or their families can slow the process by failing to respond to requests to sign releases, or by failing to respond to correspondence in a timely fashion.

a) Performance Target:

To payout 70% of children's trusts within 21 days of the child achieving the age of majority.

The PT paid out 197 children's trusts in 2009/10. The service level was met in 154 cases or 78.17%. This is an improvement over the 2008/2009 fiscal year, where only 53.3% of accounts were paid out in 21 days and is a direct result of the following steps which were taken in order to improve service to our clients:

- Proof of birth date is obtained as soon as the file is opened;
- Policies and procedures have been updated to ensure that the nature of the documentation required from the children or their families at the time of payout reflects the value of the trust;
- The PT has established a procedure for proactively seeking updated address information for children and their families, to ensure the payout takes place within the target date.

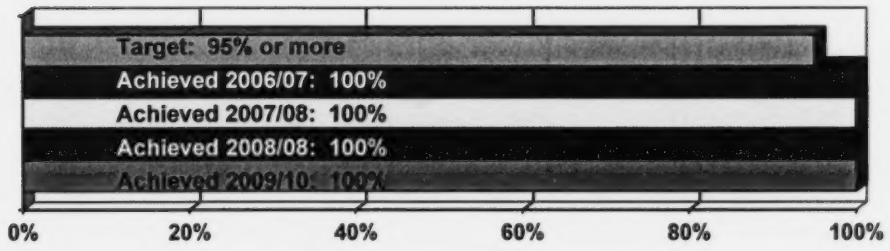


b) Performance Target:

To payout 95% of children's trusts within 5 business days of receiving all necessary documentation from third parties.

In all cases, once the proper documentation was received, payout was made within 5 business days.

Target Met



2. **Objective:**

Decisions regarding disbursements from children's' trusts will be made in a timely fashion.

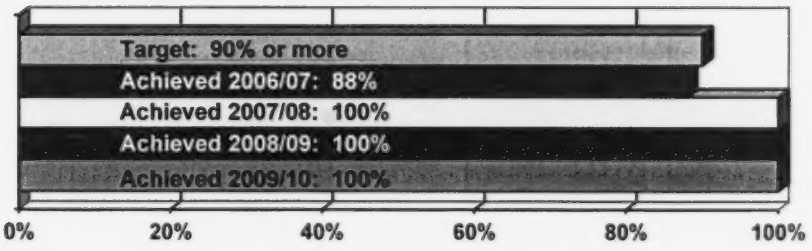
Decisions include decisions to approve or deny payment, or to request clarification or further information in support of the request for payment.

Performance Target:

That 90% of decisions regarding disbursements from trusts will be completed within 10 days of the guardian/client request.

In 2009/10, 223 decisions were made. All were made within 10 business days of receipt of the request.

Target Met



FINANCIAL ADMINISTRATION

1. **Objective:**

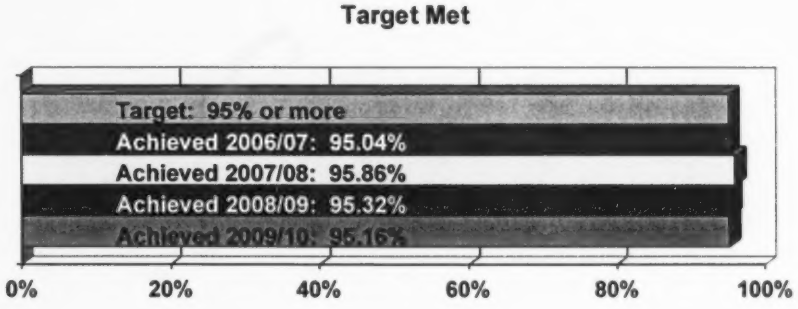
The PT will process authorized payments from clients', estates', and trusts' accounts in an efficient manner.

Efficient turnaround of disbursement requests is important as it allows clients', estates' and trusts' obligations and maintenance to be met in a timely fashion.

Performance Target:

That 95% of all requests will be met within a 5 day turnaround.

The PT processed 64,839 cheque requisitions during 2009/10. Of these, 61,702 or 95.16% were processed within the 5 days turnaround target.



2. **Objective:**

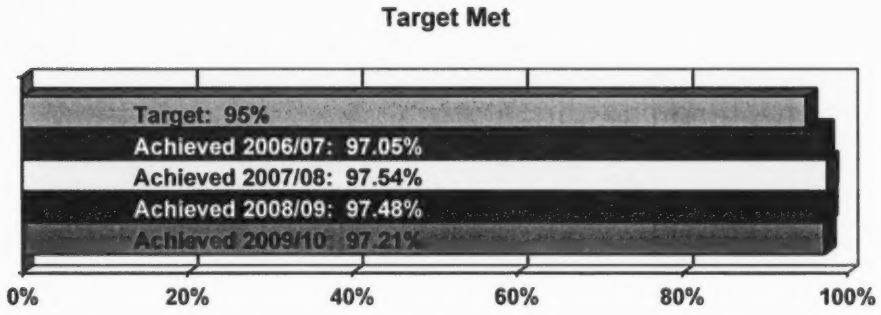
The PT will process cheques and cash receipts received for clients, estates and trusts in an efficient manner.

Efficient turnaround of receipts is critical to clients, estates, and trusts as posting affects the ability to meet financial expectations for the individual accounts and interest allocation.

Performance Target:

That 95% of all receipts will be processed in a 2 day turnaround.

The PT processed 8,902 receipts during 2008/2009. Of those receipts, 8,678 or 97.48% were processed in a 2 day turnaround.



INSPECTION SERVICES

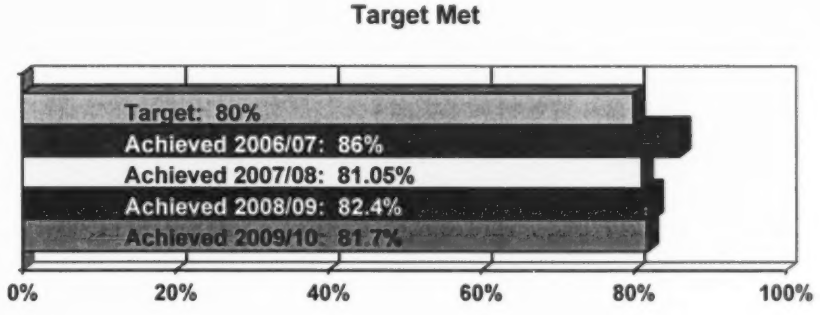
1. Objective:

Clients' and estates' assets will be inventoried and secured in a timely fashion.

Performance Target:

To complete 80% of Winnipeg search and inventories within 7 days of assignment.

During 2009/10, 93 search and inventory procedures were completed. Of those, 76 or 81.7% were completed within 7 days.



SOA
Summary of Financial Results
($000's)

	Actual 2008/09	Actual 2009/10	Budget 2009/10	% Variance
Total Revenue	5,699	6,211	5,500	12.93%
Salaries & Benefits	4,148	4,183	4,308	2.55%
Employee Pension Costs	133	222	151	-37.09%
Accommodation Costs	362	360	367	1.91%
Other Administration Costs	964	1,219	862	-41.42%
Amortization: Capital Assets	34	31	32	3.13%
Total Expenses	5,641	6,015	5,720	-5.16%
NET INCOME (Loss)	58	196	(220)	189.10%

Variance Analysis (Actual to Budget)

Fees: The Agency's revenues trended upward in the last quarter of 2009. This trend continued through 2009/10.

Other Administrative Costs: Other administrative expenses were higher due to greater than expected expenses for legal costs.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2010

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to July 21, 2010. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2010, and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2010, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Winnipeg, Manitoba
July 21, 2010

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2010

ASSETS

	2010	2009
Current		
Cash	$ 214	$ 254
Accounts receivable (Note 5)	836	807
Prepaid expenses	3	4
Short-term investments	1,625	1,370
	2,678	2,435
Trust Account – Severance (Note 6)	515	515
Capital Assets (Note 7)	81	107
	$ 3,274	$ 3,057

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 8)	$ 540	$ 530
Severance pay benefits (Note 17)	464	453
	1,004	983

EQUITY

Revenue stabilization reserve (Note 16)	500	500
Retained earnings	1,770	1,574
	2,270	2,074
	$ 3,274	$ 3,057

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME, COMPREHENSIVE INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2010

	2010	2009
Revenue		
Fees (Note 10)	$ 6,095	$ 5,560
Interest	9	41
Other	107	98
	6,211	5,699
Expenses		
Amortization of capital assets	31	34
Accommodation costs (Note 12)	360	362
Other administration expenses (Note 11)	1,219	964
Salaries and benefits	4,183	4,148
Pension benefits (Note 18)	222	133
	6,015	5,641
Net Income and comprehensive Income	196	58
Retained earnings, beginning of year	1,574	1,516
Retained earnings, end of year	$ 1,770	$ 1,574

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2010

	2010	2009
Cash derived from (applied to)		
Operating		
Net income and comprehensive income	$ 196	$ 58
Items not involving cash		
Amortization of capital assets	31	34
	227	92
Change in		
Accounts receivable	(29)	(56)
Prepaid expenses	(1)	0
Accounts payable and accrued liabilities	10	50
Severance pay benefits	11	29
	218	115
Investing		
Acquisition of capital assets	(3)	(2)
Net increase in cash and cash equivalents	215	113
Cash and cash equivalents		
Beginning of year	1,624	1,511
End of year	$ 1,839	$ 1,624
Cash and cash equivalents consist of:		
Cash	$ 214	$ 254
Short-term investments	1,625	1,370
	$ 1,839	$ 1,624
Supplemental Cash Flow Information		
Interest received	$ 7	31

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2010

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, The Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances The Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists The Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between SOAFA and the Minister of Justice assigns responsibility to The Public Trustee to manage and account for Public Trustee related assets and operations on behalf of SOAFA.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity, The Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Change in Accounting Policies.

Effective April 1, 2009, the Agency adopted the following new handbook sections issued by the Canadian Institute of Chartered Accountants (CICA).

Section 3064 Goodwill and Intangible Assets

Effective April 1, 2009, the Agency adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook section 30674 Goodwill and Intangible Assets and the updates to CICA Handbook section 1000 Financial Concepts. This guidance establishes updated standards for the recognition, measurement presentation and disclosure of goodwill and intangible assets.

These changes did not have an impact on the Agency's financial statements for the year ended March 31, 2010.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

During 2009 the Agency adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments – Recognition and Measurement and 3862, Financial Instruments – Disclosures:

Section 3855 – Effective Interest Method

Section 3855 – Embedded Derivatives on Reclassification of Financial Assets

Section 3855 – Impairment of Financial Assets

Section 3862 – Fair Value and Liquidity Risk Disclosure

Due to the nature of the Agency's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of the Agency.

Section 3862 Financial Instruments – Disclosure

The Agency has adopted the amendment to the CICA standard, Section 3862 Financial Instruments – Disclosures. This amended section, which was effective, January 1, 2009, requires an entity to classify fair value measurements into a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Agency's investments. The hierarchy of inputs is summarized below:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), or
- Level 3 – inputs for the asset or liability that are not based on observable market data.

Changes in valuation methods may result in transfer into and out of an investment's assigned level.

It has been determined that the Agency's investments would be classified as Level 2.

The above noted new standards have no impact on the recognition, measurement or presentation of financial instruments in the Agency's year-end financial statements. The only financial statement impact is to note disclosure.

3. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of *The Public Trustee Act*. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Furnishings and equipment	-	20%, declining balance
Computer equipment	-	20%, straight-line, 10% in year of acquisition,
Leasehold improvements	-	20%, straight-line

d. Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer software	30% declining balance basis

Software purchases less than $1 are expensed in year of acquisition

e) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

f) Capital disclosures

The Agency's capital consists of retained earnings provided from operations and revenue stabilization reserve funds allocated from retained earnings.

The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings and revenue stabilization reserve. The Agency has developed approximate risk management strategies, as described in Note 4, to preserve the retained earnings and revenue stabilization reserve of the Agency. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

4. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recoded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of Agency are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash and Short Term Investments	Held for trading	Fair value
Long Term Investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of income, comprehensive income and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of income, comprehensive income and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in a statement of changes in net assets or other comprehensive income until realized, at which time they recorded in the statement of income, comprehensive income and retained earnings.

Fair value of Financial Instruments

The fair values of accounts receivable, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

The Agency's investments are classified as Level 2 because they are invested with the Department of Finance. The fair value of long term investments approximates it's carrying value as the original deposit is re-invested annually at rates for investments with similar terms and conditions.

Financial risk management - overview

The Agency has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- Interest risk; and
- Foreign currency risk

The Agency manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance. The Agency's management has overall responsibility for the establishment and oversight of the Agency's objectives, policies and procedures for measuring, monitoring and managing these risks.

The Agency has exposure to the following risks associated with its financial instruments. Analysis of sensitivity to specified risks is provided where there may be an effect on the results of operations or financial position. Sensitivity analysis is performed by relating the reasonably possible changes in risk variables as at March 31, 2010 to the financial instruments outstanding on that date.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and term deposits, Trust Accounts and accounts receivable.

The maximum exposure of the Agency to credit risk at March 31, 2010 is:

Cash and funds on deposit	$1,839
Accounts receivable	836
Trust Account – Severance	515
	$3,190

Cash and funds on deposits: Agency is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the receivable is composed of fees due from clients and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is calculated at 5% of accrued fees.

The aging of accounts receivable and allowance for doubtful accounts as at March 31, 2010 was:

	Gross	Allowance
Current	$872	$ 36
30-60 days past billing date		
61-90 days past the billing date		
Greater than 90 days past the billing date		
	$872	$ 36

Long Term Investment: Agency is not exposed to significant credit risk as the trust account is held by the Minister of Finance.

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances. The Agency prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. The Agency continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect The Agency's income or the fair values of its financial instruments. The significant market risks the Agency is exposed to is: interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to funds on deposit.

The interest rate risk on funds on deposit is considered to be low because of their short-term nature.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

5. Accounts receivable

	2010	2009
Fees receivable	$ 857	$ 829
Allowance for doubtful accounts	(36)	(35)
	821	794
Interest receivable	4	2
Miscellaneous receivable	0	0
Advances to client accounts	5	5
Cost recoveries	6	6
	$ 836	$ 807

6. Long Term Investments: Receivable from Province of Manitoba

The Province of Manitoba accepted responsibility for the severance pay benefits accumulated to March 31, 1998 for certain of its employees. Accordingly, the Agency recorded a receivable of $515 from the Province of Manitoba, which is an amount equal to the estimated liability for accumulated severance pay benefits at March 31, 1998.

Effective March 31, 2009 the Province of Manitoba paid the receivable balances related to the funding for these severance pay liabilities and has placed the amount of $515 into an interest bearing trust account to be held on the Agency's behalf until the cash is required to discharge the related liabilities.

7. Capital Assets

	2010		2009	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Furnishings & equipment	$ 312	$ 253	$ 308	$ 238
Computer equipment	118	105	118	96
Leasehold Improvements	34	25	34	19
	$ 464	$ 383	$ 460	$ 353
Cost less accumulated amortization		$ 81		$ 107

8. Accounts payable and accrued liabilities

	2010	2009
Operating expenses payable	$ 137	$ 126
Salaries and benefits payable	48	32
Vacation entitlements earned	331	346
GST payable to Canada Revenue Agency	24	27
	$ 540	$ 530

9. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2010.

10. Fees revenue

	2010	2009
Administration	$ 5,199	$ 4,741
Legal	366	333
Income tax	335	304
Inspection	195	182
	$ 6,095	$ 5,560

11. Other Administration expenses

	2010	2009
Computer expenses	$ 556	$ 508
Courier charges	6	6
Insurance, loss, damage	230	85
Office supplies	79	60
Other	8	11
Personnel	16	21
Photocopy	9	10
Postage	61	56
Professional fees	53	37
Publications	6	7
Public communications	25	7
Records Centre Charges	33	26
Rentals, equipment	4	3
Repairs and maintenance	4	5
SAP costs	6	8
Support services - Department of Justice	21	21
Telephone	49	49
Travel	53	44
	$ 1,219	$ 964

12. Commitments

The Public Trustee has an arrangement with the Province of Manitoba, through the Department of Infrastructure and Transportation, for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. Accommodation costs are estimated to be $401 for the year ended 2010/2011.

13. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and they are recorded at the exchange amount.

14. Escheats to the Crown

Escheats to the Crown, received by The Public Trustee during the year and remitted to the Minister of Finance, amounted to $1,165 (2009 - $ 221). These amounts are not reflected in these financial statements.

15. Estates and trusts under administration

The client assets under administration at March 31, 2010 total approximately $211,000 (2009 - $203,000). The trust activities of The Public Trustee are reported in a separate Estates and Trusts under Administration financial statements.

16. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

17. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2008. The report provides a formula to update the liability on an annual basis. The Public Trustee's actuarially determined net liability for accounting purposes as at March 31, 2010 was $464 (2009 - $453) with the actuarial loss being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2008 valuation, and in the determination of the March 31, 2010 present value of the accrued severance benefit obligation were:

Annual rate of return	
Inflation component	2.50%
Real rate of return	4.00%
	6.50%
Assumed salary increase rates	
Annual productivity increase	0.75%
Annual general salary increase	3.50%
	4.25%

18. Pension benefits

Employees of The Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Public Trustee, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Public Trustee transferred to the Province the pension liability for her employees. Commencing April 1, 2001, The Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid at March 31, 2010 was $222 (2009 - $133). Under this agreement, The Public Trustee has no further pension liability.

19. Public Sector Compensation Disclosure Act

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of individual compensation in an amount equal to or exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2010, the following employees received compensation in excess of $50:

Employee	Position	Amount
Carroll, Jori	Investment Officer	$ 57
Clark, Dwane	Estates Officer 3	58
Darrach, Bruce	Information Technologist 3	73
Derwin, George	Legal Counsel 3	75
Fergusson, John	Legal Counsel 3	132
Fredborg, Darren	Estates Officer 3	57
Henderson, Karen	Estates Officer 3	64
Hyman, Bryan	Legal Counsel 1	93
Hupe, Paul	Estates Officer 2	51
Inouye, Donna	Finance Officer 2	60
Lovallo, Lindsay	Estates Officer 3	50
Lelond, Lorie	Estates Officer 3	57
Kihn, Shirley	Estates Officer 3	58
Knowlton, Joanna	Senior Legal Officer	135
Kozusko, Norman	Information Technologist 4	82
Mosley, James	Estates Officer 3	58
Ranson, Keri	Legal Counsel 3	53
Regier, Barbara	Estates Officer 3	58
Sabourin, Marcelle	Estates Officer 2	74
Samagalski, Michelle	Estates Officer 4	64
Sohor, Richard	Finance Officer 6	78
Stephenson, Brian	Estates Officer 2	51
Taylor, Jana	Legal Counsel 2	97
Tessier, Rachelle	Estates Officer 4	64
Winning, Marla	Estates Officer 4	64

The Public Trustee of Manitoba
Estates and Trusts under Administration

Financial Statements
March 31, 2010

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to July 21, 2010. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Public Trustee of Manitoba

We have audited the balance sheet of the Public Trustee of Manitoba, Estates and Trusts under Administration as at March 31, 2010, and the statement of cash receipts and disbursements for the year then ended. These financial statements have been prepared to comply with Section 19 of The Public Trustee Act. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Public Trustee, Estates and Trusts under Administration as at March 31, 2010, and the cash receipts and disbursements for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

These financial statements which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Public Trustee and the Members of the Legislative Assembly for purposes of complying with Section 19 of The Public Trustee Act. The financial statements are not intended to be and should not be used by anyone other than those specified users or for any other purpose.

Office of the Auditor General

Winnipeg, Manitoba
July 21, 2010

500 – 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2010

ASSETS	2010	2009
Cash on hand and in bank	$ 3,091,823	$ 3,919,523
Investments - Common Fund (Notes 2(a) and 3)	158,925,814	152,937,333
- Specific Estates and Trusts (Notes 2(b) and 4)	29,408,329	28,428,595
Accrued interest receivable on common fund investments (Note 2(a))	1,804,385	2,000,874
Other assets at nominal value (Note 2(c))	1	1
	$193,230,352	$187,286,326
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee- Fees payable (Note 1)	33,131	21,493
- Expenditures payable (Note 5)	10,438	10,747
	43,610	32,241
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	113,016,290	108,067,448
The Public Trustee Act	80,170,452	79,186,637
	$193,230,352	$187,286,326

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2010

RECEIPTS	2010	2009
Funds held by estates and trusts brought under administration	$ 13,035,226	$ 15,142,321
Realization of equities in other estates	2,725,783	2,565,989
Pensions, compensation and assistance	29,172,446	28,683,273
Sickness, disability and other insurance benefits	9,390,706	6,359,686
Investment income	7,834,958	7,915,930
Sale of estate property	4,848,924	4,073,496
Collections on accounts receivable	2,012,679	1,897,850
Total receipts, before sale or redemption of securities	69,020,722	66,638,545
Sale and redemption of securities - Common Fund	21,000,000	40,100,000
Sale and redemption of securities - Specific Estates and Trusts	8,377,700	4,965,868
Total Receipts	98,398,422	111,704,413
DISBURSEMENTS		
Room, board and other maintenance expense	27,775,423	26,112,927
Preservation of estates	5,033,637	4,344,347
Other estate expense	1,839,565	1,635,992
Administration and passing of accounts (Note 1)	5,855,221	5,301,486
Estates and trusts released from administration	30,490,576	22,213,115
Total disbursements, before purchase of securities	70,994,422	59,607,867
Purchase of securities - Common Fund	27,871,700	46,722,000
Purchase of securities - Specific Estates and Trusts	360,000	2,170,271
Total Disbursements	99,226,122	108,500,138
Excess cash receipts (disbursements)	(827,700)	3,204,275
Cash position at start of year	3,919,523	715,248
Cash position at end of year	$ 3,091,823	$ 3,919,523

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Notes to Financial Statements
March 31, 2010

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of *The Public Trustee Act*, The Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, The Public Trustee became a Special Operating Agency. The operations of The Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below in detail, to comply with the accounting requirements prescribed by Section 19 of *The Public Trustee Act*. The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because they are prepared essentially on a cash basis to reflect only the custodial activities of The Public Trustee.

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by The Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2010 Market Value	2010 Par Value	2010 Book Value	2009 Book Value
Term deposits & investment certificates	$ 12,000,000	$ 12,000,000	$ 12,000,000	$ 11,000,000
Government of Canada	5,907,369	5,800,000	5,803,208	9,827,891
Province of Manitoba	48,398,810	46,000,000	46,498,095	49,180,534
Province of Quebec	14,191,438	13,000,000	13,370,752	21,504,513
Province of Ontario	31,241,003	29,700,000	30,684,562	28,057,877
Province of New Brunswick	7,215,054	7,000,000	7,329,093	1,897,982
Canada Mortgage & Housing	19,836,403	18,500,000	18,955,715	19,165,735
Canada Housing Trust	24,762,172	24,300,000	24,284,388	12,302,801
	$163,552,249	$ 156,300,000	$ 158,925,813	$152,937,333

4. Investments - Specific Estates and Trusts

	2010	2009
Term deposits, investment certificates and treasury bills	$ 23,036,729	$ 22,472,105
Government of Canada and other bonds	1,334,075	310,760
Shares of capital stock and mutual funds	5,037,525	5,645,730
	$ 29,408,329	$ 28,428,595

5. Expenditures Payable to The Public Trustee

Expenditures payable to The Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by The Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of The Public Trustee.